

1,42  
C82C

1,42  
C82C

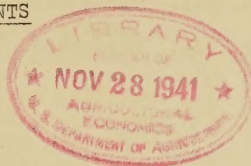
UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION

INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1940

PART IV. AUDIT BY STATE COMMITTEE OF COUNTY OFFICE  
RECORDS AND REPORTS

CONTENTS

	<u>Page</u>
A. GENERAL INSTRUCTIONS	3
Section 401. Nature of Audit	3
Sec. 402. Time of Audit	3
B. AUDITOR'S EXAMINATION OF COUNTY OFFICE RECORDS AND REPORTS	3
Sec. 403. Publication and Notice of Farm Acreage Allotments, Normal Yields, and Marketing Quotas	3
(a) Audit of Forms 409	3
(b) Audit of Forms 410	3
(c) Verification of cotton acreage allotments and normal yields as shown on Forms 409 and 410	4
Sec. 404. Measurement of Farms	4
Sec. 405. Issuance of Marketing Cards and Certificates	4
Sec. 406. Report on Unused Supplies of Marketing Quota Forms	5
(a) Marketing cards	5
(b) Serially-numbered forms other than marketing cards	6
(c) Marketing quota forms other than serially-numbered forms	6
Sec. 407. Reports of Cotton Ginned	6
(a) Review of Forms 416, 416-A, and 426	6
(b) Review of Forms 451	7
Sec. 408. Farm Accounts on Form 450 or 450-A and Related Records	8
(a) List of farm accounts on Form 450 or 450-A	8
(b) Examination of Forms 450 and 450-A	8
(c) Preparation of Form 461 for farm accounts	9



	<u>Page</u>
Sec. 409. Record of Funds Received	11
Sec. 410. Auditor's Certificate	13
C. AUDIT IN THE STATE OFFICE OF COUNTY OFFICE RECORDS AND REPORTS	13
Sec. 411. State Office Record of the Audit of County Office Records	13
Sec. 412. Reports of Unused Supplies of Forms	13
(a) Marketing cards	13
(b) Serially-numbered forms other than marketing cards	13
(c) Marketing quota forms other than serially-numbered forms	13
Sec. 413. Forms 466	13
(a) Audit to determine progress of county office work	13
(b) Audit to determine accuracy of inter- county records of extracts	15
Sec. 414. Audit of Forms 453.	16
(a) County recapitulation of the 215(b) and 215(c) reports	16
(b) Audit of the county recapitulation of the 215(b) and 215(c) reports	17
Sec. 415. Reports on Farm Accounts	18
(a) Audit of Forms 461	18
(b) Register of indebtedness	19
(c) Stop payment list	19
Sec. 416. Notice to the State Office where Unpaid Penalties Shown on Forms 461 are Subsequently Remitted	19
Sec. 417. Audit of the State Office Records of Funds Received	21
D. REPORTS TO THE REGIONAL DIRECTOR	21
Sec. 418. Reports of Cotton Produced	21
(a) Tabulation I	21
(b) Addition and audit of Tabulation I	23
(c) Tabulation II	23
(d) Addition and audit of Tabulation II	27
(e) Tabulation of data on Forms 466 and 453, designated as long staple reports	27

### A. GENERAL INSTRUCTIONS

Sec. 401. Nature of Audit. Part IV of these instructions relates to specific provisions of Cotton 407, "Regulations Pertaining to Cotton Marketing Quotas for the 1940-1941 Marketing Year" (herein referred to as the regulations) and outlines the procedure to be followed by the office of the State committee (herein referred to as the "State office") in auditing and accounting for certain forms, records, reports, accounts, and files prescribed by Part II of these instructions for the office of the county committee (herein referred to as the "county office"). The audit of the records and reports of the county office as outlined in subpart B of this Part IV shall be conducted in the county office by a representative of the State office (herein referred to as the "auditor"). For the convenience of the auditors, the State office, in keeping with the requirement of these instructions, shall devise and make available to the auditors such forms as it deems necessary for use by the auditors in reporting the information revealed by the audit of the county offices and required to be reported by these instructions.

Sec. 402. Time of Audit. The audit required by these instructions is designed primarily to reflect the status of marketing quota work in the county as of the time of the audit and such audit shall be made as soon as practicable. The State office may require any county office to be reaudited at any time for the purpose of determining whether any irregularities revealed by the original audit have been corrected or for the purpose of determining whether any irregularities have developed since the original audit was made.

### B. AUDITOR'S EXAMINATION OF COUNTY OFFICE RECORDS AND REPORTS

Sec. 403. Publication and Notice of Farm Acreage Allotments, Normal Yields, and Marketing Quotas. (a) Audit of Forms 409. A sufficient number of Forms 409 shall be examined by the auditor to enable him to determine whether they are in proper form and whether the notices were properly mailed to the operators of the farms in the county for which cotton acreage allotments were established. The auditor shall examine Forms 409 prepared for any new farms on which cotton was planted in 1940 and for which a cotton acreage allotment was not established because application therefor was not made within the prescribed time limit to determine that the word "None" is entered in items 1, 2, and 3 of such forms and that the notices were properly mailed to the operators of such farms. The number of such new farms shall be set forth in the auditor's report. A copy of the notice on Form 409 to the operator of each farm must be filed in the folder for the farm or the copies of all notices for farms in the county must be filed in binders in the numerical order of the farm serial numbers. The copies on file must show the date on which they were signed and mailed and by whom they were signed on behalf of the county committee. Items 1, 2, and 3 of the notices must be completed properly.

(b) Audit of Forms 410. Form 410 shall be examined by the auditor to determine whether the information required to be shown



thereon has been entered in the prescribed manner. The original of Form 410 must be in a binder and kept permanently available for public inspection in the county office; one copy must be permanently available for public inspection in the office of the county agent; and one copy must have been posted for not less than thirty calendar days in a conspicuous place in the county or in each administrative area in the county, as the case may be.

(c) Verification of cotton acreage allotments and normal yields as shown on Forms 409 and 410. The information for a representative number of farms on Form ACP-108 (Form NCR-409c in the North Central Region) shall be compared by the auditor with related information on Forms 409, 410, 451, and 450 and 450-A to determine that they are in agreement. All supplements to Form ACP-108 (Form NCR-409c in the North Central Region) shall be compared with Forms 409, 410, 451, and 450 or 450-A to determine that the correct acreage allotment appears thereon and that a revised notice was mailed to the operator of the farm in each case where the cotton acreage allotment on which the original notice was based was changed.

Sec. 404. Measurement of Farms. The report of measurements on Form SR-412 (Forms ECR-419, WR-409-A or WR-409-B, NCR-417, in the East Central, Western, and North Central Regions, respectively) shall be compared by the auditor with the amount of the cotton acreage allotments as shown on Form 410 and Form ACP-418 (Form NCR-409c in the North Central Region) to determine that each overplanted farm in the county is listed on Form 418. This comparison of acreage allotments and planted acres may be made by using the data entered on Form 410-A if the auditor has determined (1) that the total of the acreage planted to cotton as shown on Form 410-A is the same as the total acreage planted to cotton as shown on Form SR-412 (Forms ECR-419, WR-409-A or WR-409-B, and NCR-417, in the East Central, Western and North Central Regions, respectively) and (2) that the total acreage allotment as shown on Form 410-A is the same as the total acreage allotment as shown on Form ACP-108 (Form NCR-409c in the North Central Region). The information for each overplanted farm in the county as shown on Form SR-412 (Forms ECR-419, WR-409-A or WR-409-B, and NCR-417, in the East Central, Western, and North Central Regions, respectively) shall be compared with the information appearing on Form 418 to determine that Form 418 is prepared correctly. One copy of Form 418 which has been signed by a member of the county committee and which shows the date of his signature must be on file in the county office and the original thereof must have been forwarded to the State office.

Sec. 405. Issuance of Marketing Cards and Certificates. Forms 410-A shall be examined as follows by the auditor to determine whether Forms 411, 411-A, 412, 414, and any certificates to experiment stations have been issued properly:

1. Form 410-A prepared as outlined in section 204 of these instructions shall be examined to determine that each farm to which any of the exceptions to section 219(a) of these instructions are applicable is indicated

by the entry of the appropriate exception number in column K of Form 410-A and that the entries in columns A through J for each farm for which an exception is noted in column K if lined out on the original Form 410-A. The words "Exception 1" must appear in column K for each overplanted farm listed on Form 418. The words "Exception 2" must appear in column K for each underplanted farm which was designated, as shown on Form 450 or 450-A, as a farm in connection with which carry-over penalty cotton was to be marketed. The words "Exception 3" must appear in column K for each farm on which no cotton was planted in 1940. The record in the county office of producers who have an interest in more than one farm shall be examined to determine that the words "Exception 4", "Exception 5", "Exception 6", or "Exception 7" have been entered where applicable. The words "Exception 8" must appear in column K for each case where a red marketing card was issued only to enforce the provisions of the act. The words "Exception 9" must appear in column K, in areas not designated in item 9 of section 219(a), as amended, of these instructions, for each farm on which the total acreage planted to all varieties of cotton, including long staple varieties, exceeds the acreage allotment. The words "Exception 10" must appear in column K for each new farm on which cotton was planted and for which no allotment was approved.

2. All Forms 410-A shall be examined to determine that there is a signature in column J, or on an attached Form 410-B, for each producer whose name appears in column B unless the Form 411, 411-A, 412, or 414, prepared for issuance to the producer, was not delivered and is on file in the county office or its absence is explained satisfactorily.

Sec. 406. Report on Unused Supplies of Marketing Quota  
Forms. (a) Marketing cards.

1. The State office shall instruct the county offices to return to the State office unused copies of marketing cards (Forms 411, 412, 413, 414, and 415) with the exception of a supply thereof which it is estimated may be required in connection with unclosed farm accounts and penalties which have been or may be incurred.

2. The marketing cards to be returned shall be listed on a letter of transmittal on Form 452 which shall be prepared in triplicate and signed by the treasurer of the county committee. The original of Form 452 shall be mailed to the State office and one copy shall accompany the package in which the forms are transmitted. The State office shall return the copy of Form 452 to the county office as a receipt. The auditor shall determine if the cards listed on the county office copy or the receipted copy of Form 452 used to return the cards to the State office, plus the cards which were listed in column H of



Forms 410-A and delivered as evidenced by signatures in column J, plus any cards which were canceled, destroyed, stolen, mutilated or undelivered, plus the amount of unused cards retained, represent all the marketing cards consigned to the county as shown by the county office copy of Form 452 used in transmitting the cards by the State office to the county office.

3. In the case any marketing card or certificate was lost, destroyed, stolen, or canceled, a copy of the notices of cancelation, pertinent correspondence, and a memorandum of any findings of the county committee in connection therewith must be filed in the folder for the farm and the correct notations must appear on Form 410-A.

(b) Serially-numbered forms other than marketing cards. A record of all serially-numbered forms other than marketing cards (Forms 411-A, 419, and 419-A) shall be made by the auditor and made a part of his audit report. The record shall show the inclusive serial numbers of such forms as have been used and the inclusive serial numbers of such forms as have not been used by the county office. The auditor should determine that all such serially-numbered forms which were consigned to the county office are accounted for and that such forms as have been issued or used by the county office were properly handled, issued, or used.

(c) Marketing quota forms other than serially-numbered forms. The auditor will estimate the supply of each marketing quota form, other than serially-numbered forms, on hand and make such estimate a part of his report.

Sec. 407. Reports of Cotton Ginned. (a) Review of Forms 416, 416-A, and 426. The auditor shall examine the reports from ginnermen on Forms 416, 416-A, and 426 as follows:

1. The list of gins prepared pursuant to section 209 of these instructions shall be compared with the file of gin reports to determine that a file was established for each gin in the county and for gins in other counties from which extracts were received and that for each such gin there is a report, or a statement that no cotton was ginned, for each ginning period.

2. If a gin report has not been made by a ginner in the county for any one or more of the ginning periods, the auditor shall examine the county office reports to determine what procedure has been followed to secure the reports.

3. The totals of at least two reports from each gin from which reports were received shall be compared with the related information on Forms 453.

(b) Review of Forms 451. An examination of the county office records of cotton produced in the county and posted to Forms 451 shall be made by the auditor with a view to determining whether such records have been kept properly and efficiently.

1. The auditor shall include in his report such matters as relate to any irregularities or delinquencies concerning the keeping of such records which were revealed by his examination and shall state what in his opinion was the cause of such irregularities or delinquencies and the measures, if any, being taken by the county offices to correct the situation.

2. The auditor shall include in his report a statement as to whether the amount of cotton posted to Forms 451 as of the close of the last preceding balance period is or is not in balance with reports or extracts on Forms 416 or 416-A of cotton produced in the county and posted to such Forms 451. Such statement shall be in the following general form:

" \_\_\_\_\_ County \_\_\_\_\_ State

1940-1941 Marketing Year  
Balance Sheet as of Close of Balance  
Period Ending \_\_\_\_\_

A. Forms 451.

1. Total cotton posted to farm accounts. \_\_\_\_\_
2. Total cotton in suspense account. \_\_\_\_\_
3. Total cotton posted. (Item 1 plus item 2.) \_\_\_\_\_

B. Forms 416 and 416-A. (Exclude Forms 416 and 416-A not posted prior to close of and included in balance period.)

1. Total cotton produced and ginned in county. (Total of gin reports minus extracts sent plus canceled extracts returned to this county minus late extracts sent to other counties.) \_\_\_\_\_
2. Total cotton produced in county and ginned in other counties. (Total extracts received, including late extracts received from other counties, less canceled extracts returned to other counties.) \_\_\_\_\_

3. Total Forms 416 and 416-A posted.  
(Item 1 plus item 2.)

- C. Amount out of balance. (Difference between  
item A3 and item B3.)

3. The auditor shall determine whether the total of the cotton acreage allotments shown on Forms 451 equals the sum of the cotton acreage allotments as shown on Form ACP-108 (Form NCR-409c in the North Central Region).

4. The auditor shall determine whether the total of the acreage planted to cotton as shown on Forms 451 equals the total of the acreage planted to cotton as shown on Forms SR-412 (Forms ECR-419, WR-409-A or WR-409-B, and NCR-417, in the East Central, Western, and North Central Regions, respectively).

5. The auditor shall examine a representative number of reports on Forms 422 and 417 filed by farm operators in order to enable him to determine whether such reports are in acceptable form, and the amount of cotton shown on such reports to have been produced shall be compared with the amount posted to Form 451. The auditor shall include in his audit report a statement as to whether in his opinion proper efforts are being made by the county office to obtain farm operator's reports on Forms 422 or 417 in cases where such reports are due and have not been filed.

6. The auditor shall verify the computation of the actual yield per acre as shown on Forms 451 for a representative number of farms for which all cotton produced thereon has been posted.

Sec. 408. Farm Accounts on Form 450 or 450-A and Related Records. (a) List of farm accounts on Form 450 or 450-A. The auditor shall prepare a list of farms in the county for which farm accounts on Forms 450 or 450-A have been established and shall show for each such farm (1) the farm serial number, (2) the name of the operator of the farm, and (3) if the operator's report is due and has not been submitted, a statement as to such fact and as to the action being taken by the county committee to procure such report. Such list shall be made a part of the auditor's report. The auditor shall prepare and submit to the State office a revised list as soon as possible after close of business on July 31, 1941.

(b) Examination of Forms 450 and 450-A. The auditor shall examine each Form 450 and 450-A to determine whether the record for the farm on such form has been kept in accordance with the applicable instructions.



(c) Preparation of Form 461 for farm accounts. The auditor shall prepare a Form 461, in duplicate, for each farm for which a final farm marketing quota has been established. This will include each farm for which a farm operator's report on Form 417 has been filed, whether or not such report was a preliminary or final report. If the farm account had not been closed as of the time the Form 461 is prepared because the operator's report on Form 417 was a preliminary report, a revised Form 461 shall be prepared after a final farm operator's report has been filed. The original of the Form 461 shall be submitted by the auditor to the State office and the copy thereof shall be retained in the county office and filed in the farm folder. The Form 461 shall be prepared as follows:

1. In the space provided enter the State and county code and farm serial number.
2. In the space provided enter the sheet number and total number of sheets of Form 461 required to list the information for the farm.
3. In the space provided enter the marketing year, which shall be designated by the symbol "1940-1941."
4. In the spaces provided enter (1) the farm acreage allotment, (2) the normal yield per acre, (3) the acreage planted to cotton, (4) the actual yield per acre, and (5) the amount of carryover penalty free cotton not under a Commodity Credit Corporation loan at the time the Form 461 is prepared or on August 1, 1941, whichever is the earlier. Such information will be taken from the Form 450 or 450-A.
5. In column 1 enter the names of the persons on the farm in the order in which they appear in column 1 of the related Form 450 or 450-A.
6. In column 2 for each producer enter the amount of 2-cent carryover penalty cotton which is not under the Commodity Credit Corporation loan at the time the Form 461 is prepared or on August 1, 1941, whichever is the earlier, as shown in column (5) of Form 450 or 450-A.
7. In column 3 for each producer enter the amount of his share of the production of the farm as shown on Form 450 or 450-A. The total of this column should be checked with the total production as shown on Form 451 for the farm.
8. In column 4 for each producer enter his final producer marketing quota as shown in column (27), or (28) if used, of Form 450 or in column (15) of Form 450-A.

9. In column 5 for each producer enter his respective share of the amount of cotton marketed as shown on line (a) of column (57), or (58) if used, of Form 450 or line (a) of column (27), or (28) if used, of form 450-A.

10. In column 6 enter for each producer the amount of penalties incurred by him as shown on line (b) of column (59) of Form 450 or line (b) of column (29) of Form 450-A.

Comment: To check the accuracy of this entry, subtract the entry in column 4 from the entry in column 5. The remainder is the amount of cotton marketed subject to penalty by the producer. If no entry appears for the producer in column 2, multiply the amount of cotton marketed subject to penalty by 3 cents. If an entry appears in column 2 for the producer and such entry equals or exceeds the amount marketed subject to penalty, multiply the amount marketed subject to penalty by 2 cents. If the entry in column 2 is less than the amount marketed subject to penalty, multiply the amount in column 2 by 2 cents and add thereto the result obtained by subtracting the entry in column 2 from the amount marketed subject to penalty and multiplying the remainder by 3 cents.]

11. In column 7 enter for each producer the amount of penalties collected as shown for him on line (b) of column (57), or (58) if used, of Form 450 or line (b) of column (27), or (28) if used, of Form 450-A.

12. In the heading of column 8 enter the total amount of penalties incurred for the farm which is in excess of the amount collected for the farm. This entry will be taken from the heading of column (62) of Form 450 or from the heading of column (32) of Form 450-A. Comment: To check the accuracy of this entry subtract the total of column 7 from the total of column 6. The result should equal the amount of penalties incurred but not paid.]

13. In column 8 for each producer enter the amount of penalties incurred but not paid by him as shown on line (b) of column (62) of Form 450 or on line (b) of column (32) of Form 450-A. Comment: To check the accuracy of this entry subtract the entry in column 7 from the entry in column 6.]

14. In the heading of column 9 enter the schedule number of the Form 358, if any, by which the State office was advised to transfer the amount of money collected to the penalties account.

15. In column 9 for each producer enter the amount to be transferred to the penalties account. This entry will be the amount on line (b) of column (57), or (58) if used, minus the amount on line (b) of column (64) of Form 450, or the amount on line (b) of column (27), or (28)

if used, minus the amount on line (b) of column (34) of Form 450-A. Comment: To check the accuracy of this entry, subtract the amount in column 10 from the entry in column 7.]

16. In the heading of column 10 enter the schedule number of the Standard Form No. 1047, if any, prepared to effectuate refunds to producers on the farm.

17. In column 10 for each producer enter the amount refunded to him as shown on line (b) of column (64) of Form 450 or on line (b) of column (34) of Form 450-A.

18. The amount, if any, in the heading of column 8 must equal the amount by which the sum of the entries in column 6 exceeds the sum of the entries in column 7. The sum of the entries in column 8 need not necessarily equal the amount in the heading thereof.

19. The sum of the entries, if any, in column 10 must equal the amount by which the sum of the entries in column 7 exceeds the sum of the entries in column 6.

20. List in the spaces provided the name of each producer having an interest in other farms and the State and county code and farm serial number of each such farm.

21. The auditor shall approve each Form 461 by affixing his signature and the date thereof in the spaces provided. Any exceptions to a complete approval should be noted in the space after the word "Remarks."

22. If the farm account on Form 450 or 450-A has been closed, that is, a final farm operator's report on Form 417 has been made, all penalties incurred have been paid and all refunds and transfers have been made, the Form 461 shall be marked "closed." If the farm account could be closed except for the fact that some penalties incurred have not been paid, the Form 461 shall be marked "closed except for unpaid penalties." If the farm account could not be closed because a final farm operator's report has not been submitted, the Form 461 shall be marked "Preliminary."

Sec. 409. Record of Funds Received. The auditor shall examine Forms 413-b and 415-b, Forms 419 and 419-A, and the record of funds received and disbursed as shown on Form 356 to determine that all such funds have been properly handled and accounted for. Any irregularities should be reported immediately to the State office. A statement of funds received and disbursed shall be made a part of the audit report. Such statement should be in the following general form:



" \_\_\_\_\_ County \_\_\_\_\_ State

1940-1941 Marketing Year  
Statement of Funds Received and Disbursed  
as of \_\_\_\_\_, 19\_\_

A. Funds in Escrow:

1. Receipts.  
(Column (4) of Form 356.) \$ \_\_\_\_\_
2. Transfers to collections.  
(Column (9) of Form 356.) \_\_\_\_\_
3. Not held in escrow.  
(Item 1 minus item 3.) \$ \_\_\_\_\_

B. Total collections. (Column (15)  
of Form 356.) \_\_\_\_\_

C. Total amount in special deposit  
account. (Item A3 plus item B.) \$ \_\_\_\_\_

D. Disbursements:

1. Total transferred to penalties  
account. (Total of Forms 358 plus  
sum of amounts shown on Standard  
Form 1048 after words "Applied as  
explained in 'Remarks' below.") \_\_\_\_\_
2. Total refunds to producers.  
(Sum of amounts shown on Standard  
Forms 1048 after words "Balance  
authorized to be refunded," and  
"Retained for direct settlement  
due \_\_\_\_\_.") \_\_\_\_\_
3. Total disbursements. (Total  
of column (21) of Form 356.) \_\_\_\_\_

E. Net collections in special deposit account.  
(Item C minus item D3.) \_\_\_\_\_

F. Transmittal number of last Form 359 submitted  
to State office and recorded on Form 356. \_\_\_\_\_

G. Schedule number of last Form 358 submitted  
to State office and recorded on Form 356. \_\_\_\_\_

H. Serial number of last Standard Form 1047  
submitted to State office and recorded on  
Form 356. \_\_\_\_\_

Sec. 410. Auditor's Certificate. The auditor shall make a report and certification at the time he has completed the examination in each county of the items specified in sections 403 through 409 of these instructions. The report shall explain any phase of the work in the county office which was not done in accordance with the applicable regulations and instructions or which was not done at all. The report shall state whether the irregularities found have been corrected or the action which in the auditor's opinion will be required to correct the irregularities.

C. AUDIT IN THE STATE OFFICE OF COUNTY OFFICE RECORDS  
AND REPORTS

Sec. 411. State Office Record of the Audit of County Office Records. The State office shall establish a file for the audit reports from each county. This file should be set up and kept in such a manner as to enable the State office to determine at any time the progress of the audit of county offices and to report to the Regional Director such information pertaining to the audit as may be requested by him.

Sec. 412. Reports of Unused Supplies of Forms. (a) Marketing cards. The shipment of marketing cards returned from the county office to the State office shall be verified by comparing the serial numbers of the forms received with the serial numbers listed on the accompanying Form 452. One copy of the Form 452 should be signed by the receiving officer and returned to the county. The marketing cards returned should be destroyed and a record of their destruction, signed by a State office representative, should be attached to the other copy of Form 452 and made a part of the audit report for that county.

(b) Serially-numbered forms other than marketing cards. A record of the report on the supply of serially-numbered forms other than marketing cards (Forms 411-A, 419, and 419-A) should be permanently filed in the folder for the county. The State office copies of Forms 419 and 419-A which were used by the county office, plus the supply on hand in the county as shown by the auditor's report, should agree with the total amount consigned to the county. If the amounts do not agree, such fact might indicate that all collections received by the county have not been remitted to the State office and in such case the auditor should be requested to investigate the matter and make a separate report of his findings.

(c) Marketing quota forms other than serially-numbered forms. A record of the supply of marketing quota forms, other than serially-numbered forms, which are on hand in the county office, should be filed in the county folder to be used in connection with the distribution of forms for use in the 1941-1942 marketing year.

Sec. 413. Forms 466. (a) Audit to determine progress of county office work. The semi-monthly reports on Forms 466 constitute a statement of the status of the work in county offices in receiving, auditing, and posting gin reports and extracts. It should not be regarded as a permanent record of the amount of cotton ginned and

produced in a county. Forms 466 for each county should be examined to determine whether the county office is maintaining proper records and performing the work currently. The following items should be taken into consideration:

1. The date of balance period and the report designation should be examined to determine whether the county office understands the use of balance periods and the segregation of the reports of cotton ginned into the report divisions specified in section 210 of these instructions.

2. The totals of Parts I through V in each column should be verified and it should be determined that each entry in column C is the sum of the entries on the same line in columns A and B.

3. The amount of cotton reported on gin reports and extracts should be compared with the amount of cotton posted to farm accounts and the suspense accounts to determine whether the county office is posting the farm accounts and suspense accounts currently. The amount of unposted cotton, that is, the amount reported on gin reports and extracts which is not posted to the farm accounts or the suspense account, will be the amount by which the entry in column C of Part IV exceeds the entry on line 3, column C, of Part V. The amount of unposted cotton in a county should not be greater than should be expected in view of the amount of cotton produced in the county and the period of the ginning. As the ginning season nears its close in any county, the amount of unposted cotton should be reduced correspondingly.

4. The amount of cotton placed in the suspense account, as shown on line 2, column C, of Part V, should be reasonable in view of the amount of cotton produced in the county.

5. The number of gin reports received and not included in a balance period as shown by Part VI should be small. If the number of gin reports received which are not included in a balance period indicated that the county office either is not urging ginners to submit reports on time or is delinquent in preparing and sending extracts from gin reports which probably could have been included in the balance period, the State office should communicate with the county with a view to correcting the condition since it is very desirable that all cotton which has been ginned as of the close of the gin report period ending November 30, 1940, be included in the balance period ending December 15, 1940, and as of the close of the gin report period ending March 31, 1941, be included in the balance period ending April 15, 1941.



6. The Forms 466 for the balance periods ending November 30, 1940; December 15, 1940; March 31, 1941; and April 15, 1941 should be examined to determine whether the amount of cotton on the Seed Cotton Supplemental Report is in substantial agreement with the amount of cotton reported on Forms 426. This will involve comparing the entry in line 1, column C, Part I of the Seed Cotton Supplemental Report on Form 466 with the entry in line 2, column C, Part I of the Regular Report on Form 466. If the amounts are not in substantial agreement, the county office should be requested to ascertain and explain the difference.

(b) Audit to determine accuracy of inter-county records of extracts. Parts II and III of Forms 466 should be audited to determine that the records between counties of extracts sent and received are in agreement. The audit involves comparing the entries in Part II of Form 466 for a particular county with the entries in Part III of Forms 466 for the other counties to which extracts were sent and comparing the entries in Part III for that county with the entries in Part II of Forms 466 for the other counties from which extracts were received. Forms 466 for the Regular Report and the Long Staple Report should be separated and the Forms 466 for each report division should be arranged alphabetically by counties and audited as follows:

1. For the first county selected in alphabetical order, compare the entry on line 1, column C, of Part II of Form 466 with the corresponding entry in column C of Part III of Form 466 for the county to which the extracts were sent. If the amounts reported on the two Forms 466 for the extracts are in exact agreement, enter a check mark (✓) on both Forms 466 opposite the amounts. If the amounts do not agree, enter a cross mark (X) on both Forms 466 opposite the amounts which do not agree and make on a separate sheet of paper a notation of the names of the counties which respectively sent and received the extracts and the amount reported by each for the extracts. If the entry represents an extract sent to or received from a county in another State, the entry should be circled in blue. The same procedure should be followed for the second and all subsequent entries in Part II of the Form 466 for the first county in alphabetical order. The entries in Part III of Form 466 for the first county in alphabetical order should then be compared by the same procedure with the corresponding entries in Part II of the Form 466 for the counties from which extracts were received by the first county. The same procedure should then be followed for the second and all subsequent counties in alphabetical order until a check mark (✓) or a cross mark (X) appears opposite each figure in Parts II and III of all Forms 466, except the entries which represent extracts sent to or received from counties located in other States and which are circled in blue.

2. Each county should be notified by letter of any discrepancy between its records and the records of another county with which it exchanged extracts and be instructed to work with the other county in correcting any error. The State office should take whatever additional action may be necessary in correcting the error and eliminating similar errors in the future. This phase of the reports should be given particular attention so that any errors may be corrected before the 215(b) reports and 215(c) reports are submitted to the State office.

Sec. 414. Audit of Forms 453. (a) County recapitulation of the 215(b) and 215(c) reports.

1. A Form 453 should be prepared as a recapitulation sheet for each county by entering the name of the county in the space provided in the upper right corner of the form. In the space provided for report designation enter the words "County recapitulation through balance period ending December 15" or "County recapitulation through balance period ending April 15" as the case may be. As this summary is made, county totals of fractional bales should be converted into and expressed as tenths.

2. On the first line in column A of each county recapitulation enter the words "215(b) Part I," and in columns B through J enter the county totals from columns B through J respectively of Part I of the 215(b) report for that county.

3. On the second line in column A of each county recapitulation enter the words "215(b) Part II," and in columns B through H enter the county totals of columns B through H respectively of Part II of the 215(b) report for that county. The county totals for these entries shall be determined in the State office by adding the totals appearing in the total lines of each division of Part II of the 215(b) report for the county.

4. On the third line in column A of each county recapitulation enter the words "215(c) report" and in columns B through H enter the county totals of columns B through H respectively of the 215(c) report for the county. The county totals for these entries shall be determined in the State office by adding the totals appearing in the total line of each 215(c) report for the county.

5. On the sixth line in column A of each county recapitulation enter the words "Seed Cotton Supplemental" and in columns B through H enter the county totals from columns B through H respectively of the Seed Cotton Supplemental Report.

6. A separate county recapitulation for long staple cotton should be prepared for those counties in which or for which long staple cotton was ginned.

(b) Audit of the county recapitulation of the 215(b) and 215(c) reports.

1. County totals appearing in the first, second, third, and sixth lines of the county recapitulation of the 215(b) and 215(c) reports should be audited as follows:

a. The entry in column C times 22 plus the entry in column D times 14 plus the number of bales wrapped in sugar bagging times 19 plus the number of round bales times 3 must equal the entry in column F.

b. The entry in column B minus the entry in column F plus the entry in column G must equal the entry in column H.

c. The entry on the second line in column H must equal the entry on the first line in column I.

d. The entry on the first line in column H minus the entry in column I must equal the entry in column J.

2. The county recapitulation prepared from the 215(b) and 215(c) reports submitted at the close of the balance period ending December 15, 1940, must be compared with Forms 466 prepared for that period; and the county recapitulation prepared from the 215(b) and 215(c) reports submitted at the close of the balance period ending April 15, 1941, must be compared with Forms 466 prepared for that period to determine that these reports cover the same data. These two reports must agree with respect to the following:

a. The total net weight of cotton ginned and the estimate of lint in seed cotton marketed in the county as shown on the first line in column H of the county recapitulation of Forms 453 must equal the entry on line 3, column C of Part I of Form 466.

b. The total net weight of cotton extracted to other counties as shown on the first line in column I and on the second line in column H of the county recapitulation of Forms 453 must agree with the entry on line 11, column C of Part II of Form 466.

c. The total net weight of cotton received from other counties as shown on the third line in column H of the county recapitulation of Forms 453 must agree with the entry on line 11, of Part III of Form 466.



Sec. 415. Reports on Farm Accounts. (a) Audit of Forms 461.  
Each Form 461 received from the auditor shall be examined in the State office and compared with the records of the State office as follows:

1. The State and county code and farm serial number, the sheet number and total number of sheets, and the marketing year must appear in the spaces provided.

2. The farm acreage allotment and normal yield per acre shall be verified with records of the State office.

3. The acreage planted to cotton should be verified with the comparable entry on Form 418 if the farm is an overplanted farm.

4. The actual yield per acre carried to the nearest tenth of a pound shall be verified by dividing the entry on the total of column 3 by the acres planted to cotton.

5. The farm marketing quota, total of column 4, should not exceed the result obtained by multiplying the acreage allotment by the normal or actual yield, whichever is the larger, and adding thereto the amount of carryover penalty free cotton not under the loan.

6. The amount of penalties incurred by each producer as shown in column 6 shall be verified as specified in the comment to paragraph 10(c) of section 408 of these instructions.

7. The total amount of penalties incurred which are in excess of the total collections as shown in the heading of column 8 shall be verified as specified in paragraph 18 and in the comment to paragraph 12(c) of section 408 of these instructions.

8. The amount of penalties incurred by each producer which has not been paid by him as shown in column 8 shall be verified as specified in the comment to paragraph 13(c) of section 408 of these instructions.

9. The amount collected from each producer which has been transferred to the penalties account shall be verified as specified in the comment to paragraph 15(c) of section 408 of these instructions.

10. The sum of the entries, if any, in column 10 must equal the amount by which the sum of the entries in column 7 exceeds the sum of the entries in column 6.

11. If a transfer schedule number (Form 358) appears in the heading of column 9, the total of column 9 must equal the total amount as shown on the form 358 and also the total of column 7.

12. If a refund voucher number (Standard Form 1047) appears in the heading of column 10, (1) the total of column 10 should equal the amount shown on the voucher after the words "Balance authorized to be refunded" plus the amount, if any, after the words "Retained for direct settlement due \_\_\_\_\_, deceased (or incompetent);" (2) the total of column 7 should equal the amount shown on the voucher after the words "Amount of deposit;" and (3) the total of column 9 should equal the amount shown after the words "Applied as explained in 'Remarks' below."

(b) Register of indebtedness. Each producer for whom an entry appears in column 8 of a Form 461, which is marked "closed" or "closed except for unpaid penalties," shall be placed on the register of indebtedness for the amount shown in column 8 opposite his name, but not to exceed the amount shown in the heading of column 8. In addition, the register of indebtedness shall show for each producer the amount in the heading of column 8 which is owed for the farm and a cross-reference to the other producers on the farm for whom an entry appears in column 8. Whenever a set-off is made with respect to any one or more producers, the amount owed for the farm shall be reduced accordingly and thereafter a set-off shall not be made against the payments accruing to such producers or other producers on the farm in an amount in excess of the smaller of the remaining amount owed for the farm or the remaining amount of unpaid penalties incurred by him. As soon as the amount owed for the farm is recovered through set-off or otherwise, all producers on the farm shall be removed from the register of indebtedness insofar as marketing quota penalties for the farm are concerned.

(c) Stop payment list. The Forms 461 shall be checked with the auditor's list of farm accounts on Form 450 or 450-A to determine whether a Form 461 has been submitted. The name of the operator of each farm for which a farm operator's report on Form 417 is due and has not been filed shall be shown on a stop payment list and thereafter any payment accruing to such operator shall be withheld until a Form 461 has been submitted or the State office has been advised by the county office that an acceptable farm operator's report has been filed and no further reason exists to withhold payment.

Sec. 416. Notice to the State Office Where Unpaid Penalties Shown on Forms 461 are Subsequently Remitted. 1/ The original and one copy of Form 365 will be submitted to the State office whenever there is remitted to the treasurer of the county committee any part of the amount of an unpaid penalty shown in the heading of column (8) of a Form 461 identified as "closed" or "closed except for unpaid penalties." The original of Form 365 shall be attached to the Form 461

1/ A copy of this section in the form of instructions to county offices and a supply of Forms 365 shall be furnished to each county from which one or more Forms 461 are received which show, in the heading of column 8, the amount of unpaid penalties.

to which it relates. The copy of Form 365 shall be initialed by the remittance clerk and forwarded to the person in the State office in charge of the register of indebtedness in order that the proper adjustments may be made in connection therewith. When the amount of the collection is subsequently certified for transfer from the special deposit account to the general fund of the Treasury or to be refunded, or both, the schedule number of Form 358 or the serial number of Standard Form No. 1047 shall be entered after the words "Voucher No." and, in the spaces provided thereunder, the date of the schedule or voucher, the amount of the collection certified to be transferred to the general fund of the Treasury, and the amount, if any, of the collection certified to be refunded shall be entered. The Form 365 as received from the county office must be in the following form:

1. The State and county code number and the farm serial number must appear in the spaces provided.

2. The transmittal number of the Form 359 on which the collection was scheduled to the State office must appear in the space provided and shall be verified by comparing Form 365 with the Form 359.

3. The legend "1940-1941" must appear after the words "Marketing Year."

4. The name of each producer for whom an entry appears in column 8 of the related Form 461 must appear in column A.

5. The entry in the heading of column B must be equal to the amount in the heading of column (8) of the related Form 461, or, in the event previous Forms 365 have been received for the farm, the entry in the heading of column B must be equal to the entry in the heading of column C of the Form 365 last received for the farm.

6. The sum of the entries in column B must be equal to the amount of the collection shown therein opposite the word "Total" and this amount shall be verified by comparing it with the information on the related Forms 359 and Standard Form No. 1044-Revised.

7. The entry in the heading of column C must be equal to the amount by which the unpaid penalty shown in the heading of column B exceeds the amount of the collection shown in column B opposite the word "Total."

8. The entry in column C opposite each producer's name must be equal to the amount by which entry opposite his name in column (8) of Form 461, or the amount opposite his name in column C of the Form 365 last received for the farm, exceeds the entry opposite his name in column B of the current Form 365. The sum of the entries appearing in column C must be equal to the amount shown therein opposite the word "Total." The total of column C will not necessarily equal the amount



in the heading of column C but the total of column C should not be less than the total in the heading of column C.

9. The signature of the treasurer of the county committee, the date of his signature, and his title must appear in the spaces provided.

Sec. 417. Audit of the State Office Record of Funds Received. The Statement of Funds Received and Disbursed, contained in the auditor's report and made pursuant to section 409 of these instructions, should be compared with the State office record on Form 356 for the county. The totals of the entries in columns (4), (9), (14), and (21) of the Form 356 which were made pursuant to Forms 359, 358, and Standard Form 1047 bearing transmittal, schedule, or serial numbers, as the case may be, up to and including the numbers shown for such forms on the auditor's statement should agree with the comparable information shown on the auditor's "Statement of Funds Received and Disbursed" for the county. If the record on Form 356 does not agree with the auditor's statement, steps should be taken to determine the cause of the error and to correct it.

#### D. REPORTS TO THE REGIONAL DIRECTOR

Sec. 418. Reports of Cotton Produced. As soon as possible after the close of the balance period ending December 15, 1940, and in no event later than January 10, 1941, tabulations of the data reported on Forms 466 and 463 as of the balance period ending December 15, shall be mailed to the Regional Director. Not later than May 10, 1941, tabulations of the data reported as of the close of the balance period ending April 15, 1941, shall be mailed to the Regional Director.

The tabulation of data reported on Forms 466 shall be designated as Tabulation I and the tabulation of data shown on the county recapitulation sheet, as provided in section 414, shall be designated as Tabulation II. Before either of these tabulations is made, the audit described in sections 413 and 414 must have been made and all errors corrected.

(a) Tabulation I. Tabulation I shall be prepared as follows:

Column No.	Heading	Instructions and source of information
Column 1	District No.	Enter the name of the crop reporting district.
Column 2	County	List the counties in alphabetical order by crop reporting districts leaving a block of two lines for each county and one line between blocks. A space for district totals should be left between the listing of data for counties of the respective districts.

Column No.	Heading	Instructions and source of information
Column 3	Total net wt. of all cotton ginned and estimated lint in seed cotton marketed in other counties	On the second line of the block of two lines assigned to the county enter the figure shown on line 3, column C, Part I of the Form 466 for the county.
Column 4 Subcolumns a,b,c,etc.	Total net wt. of extracts prepared for other counties.	The subcolumns of column 4 are to be used in recording the data shown in Part II of Form 466. Column 4 should be divided into as many subcolumns as are needed to list these data by counties. Enter on the first line of the block of two lines assigned to the county the names of the counties for which extracts were prepared, using one subcolumn for each such county. Enter on the second line under the name of each such county the amount shown opposite the name of that county in column C, Part II of Form 466. <u>The entries in these subcolumns which represent extracts sent to counties located in other States shall be made in blue, and the abbreviated name of the State in which each such county is located will be indicated on the first line.</u>
Column 5	Total net wt. of all cotton produced in other counties.	Enter the amount shown on line 11, column C, Part II, of Form 466.
Column 6, Subcolumns a,b,c,etc.	Total net wt. of extracts received from other counties.	The subcolumns of column 6 are to be used in recording the data shown in Part III of Form 466. Column 6 should be divided into as many subcolumns as are needed to list these data by counties. Enter on the first line of the block of two lines assigned to county the name of the counties from which extracts were received, using one subcolumn for each county. Enter on the second line under the name of each such county the amount shown opposite the name of that county in column C, Part III of Form 466. <u>The entries in these subcolumns which represent extracts received from counties located in other States shall be made in blue and the abbreviated name of the State in which each such county is located will be indicated on the first line.</u>

Column No.	Heading	Instructions and source of information
Column 7	Total net wt. of cotton ginned and estimated lint in seed cotton marketed in other counties	Enter the amount shown on line 11, column C, Part III of Form 466.
Column 8	Total net wt. of cotton produced in the county.	Enter the amount shown in column C, Part IV of Form 466.

(b) Addition and audit of Tabulation I.

1. The total, including the blue figures, for each of the crop reporting districts and for the State shall be determined for each column and for each subcolumn of the tabulation. The following check of district and State totals must be made to determine the accuracy of the tabulation:

a. The sum of the totals of the subcolumns of column 4 must equal the total of column 5.

b. The sum of the totals of the subcolumns of column 6 must equal the total of column 7.

c. The entry in column 3 minus the entry in column 5 plus the entry in column 7 must equal the entry in column 8.

2. A State total must be obtained of all the figures entered in blue in the subcolumns of column 4 and of all the figures entered in blue in the subcolumns of column 6. The difference in these two totals represents the difference in cotton extracted to counties located in other States and cotton received from counties located in other States. This difference must prove to be the same as the difference in the State totals of column 5 and column 7 of the tabulation. If this is not the case an error in the cross-county audit of Forms 466 is indicated; any such error must be located and corrected.

(c) Tabulation II. Tabulation II shall be prepared as follows:



Column No.	Heading	Instructions and source of information
Column 1	District No.	Enter the number of the crop reporting district.
Column 2	County	List the counties in alphabetical order by crop reporting districts leaving a block of four lines for each county and a line between blocks. A space of four lines for district totals should be left between the listing of data for counties of the respective districts.

1. The entries on the first line of the block of four lines reserved for each county shall be made in black pencil as follows:

Column No.	Heading	Instructions and source of information
Column 3	Total gross weight	Line 1, column B, of the county recapitulation prepared according to section 414(a) of these instructions.
Column 4	No. of bales	This column should be divided into five subcolumns to list the number of each kind of bales and the total number of bales.
Column 4a	Jute bagging	Line 1, column C of the county recapitulation.
Column 4b	Cotton bagging	Line 1, column D of the county recapitulation.
Column 4c	Sugar bagging	Line 1, column D, E, or part of column E of the county recapitulation.
Column 4d	Round bales	Line 1, column E of the county recapitulation.
Column 4e	Total bales	The total of line 1, columns 4a through 4d of this tabulation (Round bales will be counted as half bales.)
Column 5	Wt. of tare	Line 1, column F, of the county recapitulation.
Column 6	Net wt. of baled cotton	Line 1, column 3, minus line 1, column 5 of this tabulation.

Column No.	Heading	Instructions and source of information
Column 7	Estimate of lint in seed cotton	Line 1, column G of the county recapitulation.
Column 8	Total net wt.	Line 1, column H of the county recapitulation.
Column 9	Total gross weight	Line 6, column B of the county recapitulation.
Column 10	No. of bales	This column should be divided into five subcolumns to list the number of each kind of bales and the total number of bales.
Column 10a	Jute bagging	Line 6, column C of the county recapitulation.
Column 10b	Cotton bagging	Line 6, column D of the county recapitulation.
Column 10c	Sugar bagging	Line 6, column D, E, or part of column E of the county recapitulation.
Column 10d	Round bales	Line 6, column E of the county recapitulation.
Column 10e	Total bales	The total of line 1, columns 10a through 10d of this tabulation. (Round bales will be counted as half bales.)
Column 11	Wt. of tare	Line 6, column F of the county recapitulation.
Column 12	Total net wt.	Line 6, column H of the county recapitulation.

2. The entries on the second line of the block of four lines reserved for the county shall be made in red pencil as follows:

Column No.	Heading	Instructions and source of information
Columns 3 through 8	Same	Same as for line 1 of this tabulation, except that the data are to be entered in red pencil and taken from the <u>second</u> line of the county recapitulation prepared according to section 414(a) of these instructions.
Columns 9 through 12	Same	Leave blank on line 2 of this tabulation.

3. The entries on the third line of the block of four lines reserved for the county shall be made in blue pencil as follows:

Column No.	Heading	Instructions and source of information
Columns 3 through 8	Same	Same as for line 1 of this tabulation, except that the data are to be entered in blue pencil and taken from the <u>third</u> line of the county recapitulation prepared according to section 414(a) of these instructions.
Columns 9 through 12	Same	Leave blank on line 3 of this tabulation.

4. The entries on the fourth line of the block of four lines reserved for each county shall be made in black pencil as follows:

Column No.	Heading	Instructions and source of information
Columns 3 through 8	Same	Enter in each column the result obtained by subtracting from the entry in line 1 of that column the entry in line 2 and adding the entry in line 3.
Columns 9 through 12	Same	Leave blank on line 4 of this tabulation.



(d) Addition and audit of Tabulation II. A district total of each of the four county lines of each column should be obtained and entered on the respective line reserved for district totals; i.e., the sum of the entries on line 1, column 3, for the counties, will be entered on line 1, column 3, for the district. A State total of each of the four county lines of each column should be obtained and entered on the last page of the tabulation. The district and State totals for line 1 of the tabulation should be entered in black pencil, the totals for line 2 in red, for line 3 in blue, and for line 4 in black.

For proof of the district and State totals the following checks should be made:

1. Line 1 minus line 2 plus line 3 for each of columns 3 through 8 must equal line 4 for that column.
2. The total in line 1 column 8 for the State must equal the State total of column 3 of Tabulation I.
3. The total in line 2 column 8 for the State must equal the State total of column 5 of Tabulation I.
4. The total in line 3 column 8 for the State must equal the State total of column 7 of Tabulation I.
5. The total in line 4 column 8 for the State must equal the State total in column 8 of Tabulation I.

(e) Tabulation of data on Forms 466 and 453, designated as long staple reports. Tabulations I and II shall be prepared for Long Staple Cotton Reports exactly as they were prepared for the Regular Reports, except that only those counties in which or for which long staple cotton was ginned need be listed and the counties need not be listed by crop reporting districts.

\*\*\*\*\*

